

Markets will continue to be data driven, with important economic releases including CPI, retail sales, industrial production and consumer confidence. Additionally, several Federal Reserve members, including Fed Chair Jerome Powell, speak throughout the week. Investors will also continue to focus on developments around the spread of the coronavirus. The following corporates release results:

Monday: Unilever (UL), Allergan (AGN), Loews (L), DaVita (DVA), XPO Logistics (XPO)

Tuesday: Dominion Energy (D), Exelon (EXC), Southern Copper (SCCO), Akamai (AKAM), Masco (MAS)

Wednesday: Cisco (CSCO), CVS Health (CVS), Applied Materials (AMAT), Moody's (MCO), Barrick (GOLD)

Thursday: Alibaba (BABA), PepsiCo (PEP), Nvidia (NVDA), Duke Energy (DUK), Waste Management (WM)

Friday: AstraZeneca (AZN), Enbridge (ENB), Yandex (YNDX), Newell Brands (NWL)

Our tactical model remains bullish (100% equity invested).

MONDAY FEBRUARY 10, 2020
Fed Bowman Speech
Fed Harker Speech
TUESDAY FEBRUARY 11, 2020
Fed Quarles Speech
Fed Bullard Speech
Fed Kashkari Speech
NFIB Business Optimism Index
Redbook
JOLTs Job Openings
Fed Chair Powell Testimony
WEDNESDAY FEBRUARY 12, 2020
Fed Chair Powell Testimony
THURSDAY FEBRUARY 13, 2020
Consumer Price Index
Initial Jobless Claims
FRIDAY FEBRUARY 14, 2020
Retail Sales
Industrial Production
Michigan Consumer Sentiment
Fed Mester Speech

GAUGE OF THE GRADE



Exhibit 4: Info Tech stocks have the most sales exposure to Greater China
2018 data

Sector	Revenue exposure				Total other
	U.S.	Non-U.S.	Asia Pacific	Greater China	
Information Technology	39 %	61 %	28 %	15 %	18 %
Materials	50	50	14	2	34
Energy	59	41	2	0	39
Industrials	61	39	11	2	26
Consumer Staples	70	30	2	1	27
Consumer Discretionary	76	24	4	1	19
Communication Services	77	23	6	0	17
Real Estate	81	19	5	0	14
Financials	82	18	7	0	12
Health Care	82	18	3	1	14
Utilities	96	4	0	0	4
S&P 500	70 %	30 %	7 %	2 %	21 %

Source: FactSet, company filings, Goldman Sachs Global Investment Research

With respect to concerns around the impact of the coronavirus on corporate profits, the adjacent chart, courtesy Goldman Sachs, shows which US sectors have most sales exposure to the China / Asia region. The Information Technology sector has by far the greatest exposure. Should the broader equity market sell off on continued coronavirus fears, investors should consider using the weakness as an opportunity to add to positions in sectors which have very little China exposure, with our favored sectors being healthcare and financials.

SECTOR RETURNS

	5 DAYS	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS
Basic Materials	3.8	0.2	-0.2	14.7	12.7
Communication Services	3.3	1.9	8.7	27.7	21.6
Consumer Cyclical	2.5	3.0	8.1	8.9	21.5
Consumer Defensive	1.9	3.0	5.9	12.6	21.0
Energy	0.8	-12.2	-8.6	15.6	-12.1
Financial Services	3.2	1.6	4.3	15.9	21.0
Healthcare	3.9	1.5	10.9	-3.7	17.6
Industrials	2.9	0.9	2.9	10.0	17.8
Real Estate	1.7	4.6	5.8	12.8	17.7
Technology	4.2	7.1	16.0	13.5	45.9
Utilities	-0.3	7.1	10.6	6.3	26.0



SOWELL'S WEEK AHEAD

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